

CHAPTER NO. 376

HOUSE BILL NO. 701

By Representative Sherry Jones

Substituted for: Senate Bill No. 717

By Senator Haynes

AN ACT to amend Tennessee Code Annotated, Section 47-11-103; Section 47-11-104 and Title 47, Chapter 18, Part 15, relative to certain services or fees included in a retail installment contract or assessed against a retail charge agreement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 15, is amended by adding the following language as a new, appropriately designated section:

(a) The seller under any retail installment contract, shall have no authority to collect any fees or charges for a policy of credit-life insurance issued in connection with property purchased under a retail installment contract unless the consumer has specifically elected, evidenced by the consumer's signature on such contract, to authorize the addition of the policy of credit-life insurance.

(b) If the consumer did not authorize the purchase of such insurance, the consumer shall notify the seller of any unauthorized charges for such insurance that are imposed under the retail installment contract within three (3) months of the initial billing for such insurance.

(c) If the consumer notifies the seller during the three-month period that such consumer did not authorize the purchase of such insurance and the seller cannot provide proof of authorization by such consumer, the seller shall refund an amount equal to a minimum of three (3) months charges for such insurance, including a refund of any penalty or interest assessed with respect to such charge, if any.

(d) If the consumer notifies the seller during the three-month period that such consumer did not authorize the services and the seller is able to prove authorization by such consumer, no refund shall be issued by the seller.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 24, 1999


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 14th day of June 1999


DON SUNDQUIST, GOVERNOR